

INSURANCE DIVISION[191]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)"b."

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code chapters 511 and 521A, the Iowa Insurance Division hereby gives Notice of Intended Action to amend Chapter 93, "Conduit Derivative Transactions," Iowa Administrative Code.

The rules in Chapter 93 provide for quarterly reports to the Insurance Commissioner of a conduit's derivative transaction activities to enable the Insurance Division to monitor the conduit's obligations to the insurers in the conduit's holding company system. This proposed amendment would allow the Insurance Commissioner to exempt a conduit from subrule 93.6(3) if the conduit's obligations to the insurers in its holding company system are unconditionally guaranteed by a "qualified counterparty" as defined in rule 191—93.2(511,521A), which, in this context, essentially means an investment grade business entity. Such a guarantee can obviate the need for monitoring since the obligations of the conduit are certain to be met. The Division intends that Iowa insurance companies and insurance holding companies will comply with the amendment beginning September 30, 2009.

Any interested person may make written comments on this proposed amendment on or before July 21, 2009. Written comments may be sent to Matt Hargrafen, Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa 50319. Comments may also be submitted electronically to matthew.hargrafen@iid.iowa.gov or via facsimile to (515)281-3059.

A public hearing will be held on July 21, 2009, at 10 a.m. in the Lobby Conference Room of the Iowa Insurance Division, 330 Maple Street, Des Moines, Iowa, at which time persons may present their views orally or in writing. At the hearing, persons will be asked to give their names and addresses for the record and to confine remarks to the subject of the proposed amendment.

Any persons who intend to attend the public hearing and have special requirements, such as those relating to hearing and mobility impairments, should contact the Insurance Division and advise of their specific needs.

This amendment is intended to implement Iowa Code chapters 511 and 521A.

The following amendment is proposed.

Adopt the following **new** subrule 93.6(3):

93.6(3) Exemptions from reporting requirements. Upon application, a conduit may be exempted by the insurance commissioner from the reporting requirements of this rule if all of the conduit's obligations arising out of the conduit's derivative transaction activities are unconditionally guaranteed by a qualified counterparty.